

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2860 - SB 2665

March 16, 2020

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Human Services (DHS) to develop, either through internal resources or by contracting with a third party, a mobile phone application for the purpose of providing citizens access to the programs offered by DHS that utilize Temporary Assistance for Needy Families (TANF) funds. Requires the application functionality to include the ability for users to: (1) search the various programs; (2) filter programs by those of which the user meets the eligibility requirements; (3) electronically apply to the programs; and (4) receive reminders of any pending information needed to complete an application. Requires the application to be free to use.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$350,000/FY20-21  
\$60,000/FY21-22 and Subsequent Years

Other Fiscal Impact – Federal Temporary Assistance for Needy Families (TANF) funding may be available for a portion of the increase in state expenditures. However, the extent and timing of any such funding is unknown.

**SUMMARY OF AMENDMENT (017167):** Deletes and replaces all language after the enacting clause. Authorizes, in the event that a state or federal state of emergency is declared, and for a period of no more than 12 months, DHS to award temporary assistance grants to eligible families in amounts up to 100 percent greater than the amounts for which the families have otherwise been determined eligible.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Other Fiscal Impact – An estimated increase in federal TANF expenditures for the Department of Human Services (DHS) of \$56,800,000 in FY20-21 and an unquantifiable increase in TANF expenditures in subsequent years. These expenditures can be absorbed within the DHS's existing TANF block grant. To the extent the annual benefit amounts increase to levels exceeding the annual funding amount, DHS will draw from the TANF reserve funds.**

Assumptions for the bill as amended:

- Based on information provided by DHS, the total amount of cash assistance benefits awarded in FY19-20 is estimated to be \$56,800,000. For the purposes of this fiscal analysis, it is assumed that the amount of cash assistance awarded in FY19-20 is representative of the amount that would be awarded under current law in FY20-21 and subsequent years.
- On March 12, 2020, Governor Bill Lee issued Executive Order No. 14 declaring a state of emergency in Tennessee.
- Authorizing DHS to award eligible families temporary assistance grants in amounts up to 100 percent greater than the amount they are currently eligible for, in the event that a state or federal state of emergency is declared, will result in a one-time increase in TANF expenditures of \$56,800,000 in FY20-21 and unquantifiable increases in such expenditures in any other years in which such an emergency is declared.
- According to a memo prepared for the Joint TANF Working Group by the Comptroller of the Treasury on December 17, 2019, the recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$191,000,000. Additionally, DHS has the authority to draw from TANF reserve funds, the balance of which is currently estimated to be approximately \$732,000,000.
- Any increase in expenditures by DHS as a result of this legislation is assumed to be absorbed within existing federal TANF resources.
- There will not be an increase in state expenditures as the DHS is only required to meet TANF maintenance of effort requirements, which the DHS does on an annual basis under current law.
- To the extent the annual benefits increase to levels exceeding the annual funding amount, DHS will draw from the TANF reserve funds.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jpi